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IN THE

Supreme Court of the United States

OCTOBER TERM 1947

GENERAL TIME INSTRUMENTS CORPORATION,

Petitioner,

v.

THE UNITED STATES TIME CORPORATION,

Respondent.

PETITION FOR WRIT OF CERTIORARI AND BRIEF IN SUPPORT THEREOF

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PETITION FOR WRIT OF CERTIORARI

TO THE HONORABLE, THE CHIEF JUSTICE AND ASSOCIATE JUSTICES OF THE SUPREME COURT OF THE UNITED STATES:

Your petitioner, General Time Instruments Corporation, prays that a writ of certiorari issue to the United States Circuit Court of Appeals for the Second Circuit to review the judgment of that court in this cause filed January 15, 1948 (R. 121). A petition for rehearing (R. 122) was denied on February 19, 1948 (R. 131).

A certified transcript of the record in this case, including the proceedings in the Circuit Court of Appeals, is furnished herewith in compliance with Rule 38 of the Rules of this Court.

Summary Statement of the Matter Involved

This action arose as an action by petitioner charging respondent with infringement of petitioner 's design patent for a clock casing No. 114,262, dated April 11, 1939 (R. 89)* and also charging respondent with unfair competition in the sale of the accused clock.

Petitioner alleged, and the court found, that in 1939 petitioner adopted the patented design for its "Big Ben" clocks and that from 1939 until 1946 when the accused clock was placed on the market, petitioner continuously and extensively advertised its clocks of the new design in popular magazines of nation-wide circulation by advertisements containing pictures of such clocks. During this period petitioner sold several million such clocks notwithstanding war-time restrictions. Petitioner alleged that the accused clock marketed by respondent was "in appearance so closely similar to the clocks manufactured and sold by plaintiff [petitioner] and advertised as hereinabove described, that the purchasing public is likely to be deceived into purchasing defendant's [respondent's] clocks in the belief that they are the clocks advertised by plaintiff as aforesaid" (Complaint, R. 4).

Petitioner urged that the distinctive appearance of the "Big Ben" clock had attained a "secondary meaning" by the extensive advertising and marketing of such clocks exclusively** by petitioner during the period from 1939 to 1946 and that the exclusive right to sell clocks of that appearance became thereby vested in petitioner.

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* The trial court held the petitioner's patent invalid for want of invention. That opinion was affirmed by the Court of Appeals, and no review of that issue is sought by this petition.

** There is no evidence that clocks of even remotely similar appearance were, during the period in question, marketed or advertised by any other concern.

The lower court held that "The essentials of the Dreyfuss [petitioner's] design are embodied in the accused clocks" (Finding 14, R. 79). The lower court also held that "If said patent be valid, it is infringed" (Conclusion 2, R. 80).

The trial court made no direct ruling on the issue of "secondary meaning", but held that the copying of petitioner's design was not actionable because the accused clocks were marked with respondent's own name.

> "But even if it did copy, it does not follow that the defendant acted tortiously. The case here comes within the rule of Crescent Tool Co. v. Kilborn & Bishop Co., 247 F. 299. For here, the defendant by its marks on the product and package made it sufficiently clear to the purchasing public that its product was its own" (R. 81).

The Court of Appeals in the case at bar—Judge Frank dissenting—affirmed the lower court, the majority of the court and the lower court both apparently holding that where the goods of the imitator are marked with his own name and trade-mark likelihood of deception cannot be assumed from the similarity of the articles themselves, but must be affirmatively established by direct evidence that the purchasing public identifies the goods by their appearance as plaintiff's goods, and that actual confusion in trade has resulted. The Circuit Court of Appeals in the case at bar specifically ruled that the extensive sales and advertising exclusively by petitioner for the six or seven years following its introduction of the new Big Ben clock did not of itself establish "a secondary meaning" for the design.

The holding that by its continued, extensive and exclusive use of the distinctive design for its clocks petitioner has not created a secondary meaning therefor is contrary to the established principle of the law of trade-marks that

"secondary meaning" is established by, and only by, the continued, extensive and exclusive use of the mark in commerce upon goods of the same origin.

Jurisdiction

The jurisdiction of this Court is invoked under Sec. 240(a) of the Judicial Code as amended by the act of February 13, 1925, c. 229 (28 U. S. Code, Sec. 347).

The judgment of the Circuit Court of Appeals for the Second Circuit which petitioner seeks to have reviewed was entered on January 15, 1948 (R. 121) and petition for rehearing denied on February 19, 1948 (R. 131).

Question Presented

1. Does the extensive, continuous and exclusive use by a manufacturer for a period of years of an original and distinctive design for its product create for that design a trade-mark significance under the doctrine of secondary meaning such that the appropriation of that design by a competitor constitutes the invasion of a property right which is *per se* actionable without proof of actual palming off?

2. Does the marking by a manufacturer of goods manufactured and sold by him with his own name and trademark justify him in imitating the configuration and design of his competitor's goods where that design has, under the doctrine of "secondary meaning" become the exclusive property of the competitor?

Reasons for Granting the Writ

1. The ruling of the Court of Appeals for the Second Circuit that continuous, extensive, exclusive use of a dis-

tinctive dress and appearance for one's goods does not create a secondary meaning for such distinctive dress or appearance is contrary to the underlying principles governing the doctrine of "secondary meaning" and is specifically in conflict with Section 2(f)* of the New Trade Mark Act (U. S. C. Title 15, sections 1051-1127).

2. The questions presented herein are important questions of Federal Law which have not been but should be settled by this Court.

WHEREFORE YOUR PETITIONER respectfully prays that a writ of certiorari be issued to the United States Circuit Court of Appeals for the Second Circuit to the end that this cause may be reviewed and determined by this Court; that the judgment of the Court of Appeals for the Second Circuit be reversed; and that petitioner be granted such other and further relief as may be proper.

W. BROWN MORTON,
Counsel for Petitioner.

New York 17, N. Y., May 14, 1948.

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* Except as expressly excluded in paragraphs (a), (b), (c) and (d) of this section, nothing herein shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. The Commissioner may accept as *prima facie* evidence that the mark has become distinctive, as applied to the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years next preceding the date of the filing of the application for its registration.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

Opinion of Courts Below

The opinion of the District Court for the District of Connecticut appears at page 81 of the Record and is not reported. The opinion of the Circuit Court of Appeals for the Second Circuit (Circuit Judges Clark and Chase, written by Judge Clark) appears at page 114 of the Record and is reported in 165 F. 2d 853. The dissenting opinion of Judge Frank appears at page ~~22~~ 117A of the Record and is included in the opinion as reported in 165 F. (2d) beginning with page 855.

Jurisdiction

The jurisdictional statement appears in the accompanying petition.

Statement of the Case

The essential facts of the case are stated in the accompanying opinion and need not be related here.

Specification of Error

The Circuit Court of Appeals for the Second Circuit erred:

1. In not holding that the continuous, extensive and exclusive use by petitioner for a period of over six years of the distinctive design for the cases of its Big Ben clocks created for that design, under the doctrine of "Secondary Meaning", a trade-mark significance.

2. In holding that where a manufacturer imitates the appearance of his competitor's goods, the marking of such goods or their containers with the imitator's own name and trade-mark precludes "an inference of deception or confusion".

3. In not holding that the manufacture and sale of the accused clock by respondent as established by the evidence constituted unfair competition with plaintiff's business in its Big Ben clocks of the "Dreyfuss" design.

ARGUMENT

I

The Court of Appeals for the Second Circuit erred in not taking judicial notice of the fact that continuous, extensive advertising exclusively by petitioner of its clocks for more than six years, picturing its distinctive appearance, and the sale of nearly three million such clocks, necessarily created in the minds of the purchasing public the belief that such clocks were the product of the advertiser. The Court of Appeals for the Second circuit, in discussing the question of secondary meaning said (p. 854):

> "Thus, in order for it to be protected, plaintiff must establish that its design had acquired a secondary meaning and that the sale of defendant's clock would be likely to produce confusion. See Lucien Lelong, Inc. v. Lander Co., 2 Cir., 164 F. 2d 395, and cases therein cited. Failing this, plaintiff cannot prevail. It is not disputed that nearly 3,000,000 clocks of the design at issue had been sold up to the fall of 1942, nor is it contested that from 1939 through 1946 approximately $2,000,000 had been spent advertising this clock. This measures plaintiff's effort to establish a secondary meaning, but does not determine its success. As we have seen, there was much prior art that had

> essential features similar to plaintiff's design. Clearly the task of establishing a secondary meaning for its variation of familiar designs was a difficult one. Large expenditures for advertising do not compel a conclusion that the task has been accomplished. Here there is no affirmative finding that secondary meaning had been established, and 'the absence of an affirmative finding for the plaintiff is adequate basis for the judgment'. *Lucien Lelong, Inc.* v. *Lander Co., supra.*"

While large expenditure for advertising may not of itself conclusively prove that a secondary meaning has been established, such expenditure continuously over a period of years, during which period no other clock of remotely similar appearance was marketed or advertised, coupled with the sale of nearly three million such clocks does compel the conclusion that a secondary meaning has been established.

In referring to the "prior art" the Court of Appeals for the Second Circuit overlooked the fact that all the prior art from which plaintiff was found to have selected the components of the design which he combined in the patented design, were clocks which long antedated the patented design, and which, so far as shown by the evidence submitted here, were not on the market subsequent to the adoption by petitioner of the design here in issue. The existence of this prior art even assuming it does disclose the several components of petitioner's design can have no bearing on the question of unfair competition. Respondent was free to go to the prior art and select from it the various elements making up a complete clock casing and combine them in a clock of a distinctive appearance, but it was not free to select from the prior art the same components selected by petitioner, combine them in the same manner as they are combined by petitioner in its new design, and thus put out a clock of an appearance so similar

to plaintiff's clock as to be likely to cause confusion in trade.

The situation is precisely the same as confronts a manufacturer in designing a package for his goods. He is free to use a box of known configuration and color, or a label of any design and color he chooses. He is also free to select from the printers' art the size, style and arrangement of type that suits his fancy, but he is not free to so select and combine these elements that the package as a whole is confusingly similar to a package which has been long and extensively used by a competitor.

The question presented here is of particular importance at the present time because of the passage of the New Trade-Mark Act, U. S. C. Title 15, Secs. 1051-1127, which specifically provides that the continuous and exclusive use for a period of five years of a mark not otherwise registrable entitles the mark to registration on the Principal Register, whereby it is accorded all the protection given to a purely technical trade-mark. There is no reason why a different rule of proof should be required in cases of unfair competition where the imitation is in the configuration and appearance of the goods themselves instead of in the mark or label applied to the goods.

> *Armstrong Co.* v. *Nu-Enamel Corp.*, 305 U. S. 315, 319:
>
> "It is of no importance whether the acts complained of in this case are called trade-mark infringement or unfair competition. Their characterization is merely epithetical. The act is the same."

II

The Circuit Court of Appeals erred in holding that the similarity of the respondent's clock casing to petitioner's clock casing did not of itself warrant an inference of con-

fusion in trade even though the accused clock bore respondent's own name. It is the established rule of this Court and of courts generally dealing with trade-mark infringement and unfair competition that proof of actual palming off is not required when the similarity of the respondent's goods to petitioner's is such that there is likelihood of confusion.

Yale & Towne Mfg. Co. v. *Alder,* 154 Fed. 37 (C. C. A. 2);
Mishawaka Rubber & Woollen Mfg. Co. v. *S. S. Kresge Co.,* 316 U. S. 203.

The lower court found that the respondent had appropriated the essential features of plaintiff's design (Finding 15, R. 80). It also held that the similarity in appearance was such that plaintiff's patent, if valid, should be held infringed (Conclusion 2, R. 80). In so doing, the lower court held that the similarity was such as to deceive the ordinary purchaser.

Gorham Company v. *White,* 14 Wall. 511, 528:

> "We hold, therefore, that if, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other."

The Court of Appeals did not question these findings but apparently, like the lower court, concluded that an inference of deception or confusion was not warranted because the respondent marked its clock with its own name and trade-mark. The difference in the printing on the face and back of the clock does not in the slightest degree alter the similarity of the clock casings themselves.

As found by this Court in *Menendez* v. *Holt,* 128 U. S. 514, 521, the marking by the imitator with his own name is an aggravation of the infringement.

Menendez v. *Holt,* 128 U. S. 514, 521:

> "Holt & Co., then, having acquired the exclusive right to the words 'La Favorita', as applied to this particular vendible commodity, it is no answer to their action to say that there was no invasion of that right because the name of S. O. Ryder accompanied the brand upon flour sold by appellants, instead of the name of Holt & Co. That is an aggravation and not a justification, for it is openly trading in the name of another upon the reputation acquired by the device of the true proprietor. Gillot v. Esterbrook, 47 Barb. 455; S. C. 48 N. Y. 374; Coats v. Holbrook, 2 Sandf. Ch. 586."

CONCLUSION

Wherefore, the petitioner earnestly prays that the petition for writ of certiorari be granted, the cause reviewed, and the decree of the Circuit Court of Appeals for the Second Circuit reversed.

Respectfuly submitted,

W. Brown Morton,
Counsel for Petitioner.

Dated: New York, N. Y., May 14, 1948.